

ASSEMBLY BILL

No. 554

Introduced by Assembly Member John Campbell

February 21, 2001

An act to add and repeal Section 6368.8 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 554, as introduced, John Campbell. Sales and use tax exemptions: vehicles.

The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property. That law provides various exemptions from that tax.

This bill would additionally exempt from that tax, specified portions of the gross receipts from the sale or use of an ultra low emission vehicle, a super ultra low emission vehicle, a partially zero emission vehicle, or a zero emission vehicle, as classified by the State Air Resources Board.

Counties and cities are authorized to impose local sales and use taxes in conformity with state sales and use taxes. Exemptions from state sales and use taxes enacted by the Legislature are incorporated by existing law into the local taxes.

This bill would provide that the exemption established by this bill does not apply to local sales or transactions and use taxes, or to certain state tax rates that fund local services.

This bill would take effect immediately as a tax levy, but its operative date would depend on its effective date.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 6368.8 is added to the Revenue and
2 Taxation Code, to read:
3 6368.8. (a) Until January 1, 2007, there are exempted from
4 the taxes imposed by this part all of the following:
5 (1) Twenty-five percent of the gross receipts from the sale in
6 this state of, and the storage, use, or other consumption in this state
7 of, a new vehicle, rated by the State Air Resources Board as an
8 ultra low emission vehicle (ULEV).
9 (2) Fifty percent of the gross receipts from the sale in this state
10 of, and the storage, use, or other consumption in this state of, a new
11 vehicle, rated by the State Air Resources Board as a super ultra low
12 emission vehicle (SULEV).
13 (3) Seventy-five percent of the gross receipts from the sale in
14 this state of, and the storage, use, or other consumption in this state
15 of, a new vehicle, rated by the State Air Resources Board as a
16 partially zero emission vehicle (PZEV).
17 (4) All of the gross receipts from the sale in this state of, and the
18 storage, use, or other consumption in this state of, a new vehicle,
19 rated by the State Air Resources Board as a zero emission vehicle
20 (ZEV).
21 (b) The exemptions established by this section do not apply
22 with respect to either of the following:
23 (1) A tax imposed under the Bradley-Burns Uniform Local
24 Sales and Use Tax Law (Part 1.5 (commencing with Section
25 7200)) or in accordance with the Transactions and Use Tax Law
26 (Part 1.6 (commencing with Section 7251)).
27 (2) A tax imposed under Section 6051.2 or 6201.2, or under
28 Section 35 of Article XIII of the California Constitution.
29 (c) A retailer shall designate the exemptions provided by this
30 section as a separate item in all reports to the board.
31 (d) This section shall remain in effect only until January 1,
32 2007, and as of that date is repealed.
33 SEC. 2. This act provides for a tax levy within the meaning of
34 Article IV of the Constitution and shall go into immediate effect.
35 However, the provisions of this act shall become operative on the



- 1 first day of the first calendar quarter commencing more than 90
- 2 days after the effective date of this act.

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